

701—65.2(452A) Time tax attaches—responsible party. The excise tax on special fuel attaches when the special fuel is (1) placed in a fuel supply tank of a motor vehicle or aircraft, or (2) placed in a “motor vehicle or aircraft special fuel holding tank.” The person responsible for the tax must collect the tax from the purchaser and remit the tax to the department. The person responsible for the tax is determined in the following manner:

1. If the special fuel is placed into a motor vehicle or aircraft special fuel holding tank by the distributor, the distributor is responsible for the tax. (See rule 701—63.26(452A) relating to licensed distributors.)

2. If the special fuel is placed into a motor vehicle or aircraft special fuel holding tank or into a fuel supply tank by a licensed special fuel dealer, the dealer is responsible for the tax.

3. If the special fuel is dispensed from licensed metered storage into a fuel supply tank of a motor vehicle or aircraft by a licensed special fuel user, the user is responsible for the tax.

4. If, upon audit, a deficiency in tax payments is discovered, the person responsible for the tax deficiency is the same person who would have been responsible for the tax had the fuel been properly accounted for at the time the tax accrued. For example, in a true consignment arrangement with a retailer dealer, i.e., where the supplier retains title to the fuel until it is sold to the final consumer, the person (dealer or user) who owns, leases or otherwise controls the storage tanks and the pumps is responsible for the tax, and not the owner of the fuel.

This rule is intended to implement Iowa Code section 452A.34.